



RUSTENBURG LOCAL MUNICIPALITY  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2009

Rustenburg



*"A successful Rustenburg for the benefit of all"*

**RUSTENBURG LOCAL MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**30 JUNE 2009**

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**RUSTENBURG LOCAL MUNICIPALITY**

**APPROVAL OF ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2009**

As Accounting Officer, in terms of section 126(1) (a) of the Municipal Finance Management Act, Act no 56 of 2003, I am responsible for the preparation of the annual financial statements as set out on pages 1 to ..... and which I have signed on behalf of the Rustenburg Local Municipality.

I certify, in terms of section 124(1) of the Municipal Finance Management Act, that the salaries, allowances and benefits of Councillors as disclosed in the notes to these annual financial statements are within the upper limits of the framework envisaged in section 210 of the Constitution, read with the Remuneration of Public Office Bearers Act (Act 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with Act 20 of 1998.

Mr. R.T.R Ramathlape  
Acting Municipal Manager

31/08/2009  
Date

**RUSTENBURG LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009**

	Note	2009 R	2008 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>1 393 844 471</b>	<b>1 203 944 732</b>
Housing Development Fund	1	22 385 601	16 379 068
Capital replacement reserve		220 952 053	211 406 142
Capitalization reserve		192 162 528	216 882 027
Government grant reserve		504 092 474	382 800 161
Donations and public contribution reserves		27 489 559	21 870 225
Self-insurance reserve		27 158 599	21 875 000
Accumulated Surplus/(Deticit)		399 603 657	332 732 109
<b>Non-current liabilities</b>		<b>148 425 802</b>	<b>62 152 501</b>
Long-term liabilities	2	101 341 300	54 652 501
Non-current provisions	3	47 084 502	7 500 000
<b>Current liabilities</b>		<b>354 467 675</b>	<b>409 733 147</b>
Consumer deposits	4	21 769 433	19 659 723
Provisions	5	4 335 652	977 239
Creditors	6	203 329 151	156 204 479
Unspent conditional grants and receipts	7	78 236 496	142 648 944
VAT	8	43 485 743	38 244 328
Current portion of long-term liabilities	2	3 311 200	51 998 434
<b>Total Net Assets and Liabilities</b>		<b>1 896 737 949</b>	<b>1 675 830 380</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>1 094 620 647</b>	<b>947 381 974</b>
Property, plant and equipment	9	1 086 344 546	874 172 554
Investments	10	694 884	67 109 202
Long-term receivables	11	7 581 217	6 100 218
<b>Current assets</b>		<b>802 117 303</b>	<b>728 448 406</b>
Inventory	12	21 861 768	14 217 517
Consumer debtors	13	167 843 770	163 179 148
Other debtors	14	4 940 542	14 882 443
Current portion of long-term receivables	11	61 604	215 912
Short-term fixed deposits	15	467 941 238	424 777 952
Bank balances and cash	16	139 468 380	111 175 434
<b>Total Assets</b>		<b>1 896 737 949</b>	<b>1 675 830 380</b>

**RUSTENBURG LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

Budget		Actual		
2009		Note	2009	2008
R			R	R
<b>REVENUE</b>				
103 546 894	Property rates	17	105 640 782	96 188 315
884 423 271	Service charges	18	769 148 678	719 786 114
5 930 690	Rental of facilities and equipment		4 806 610	3 674 741
42 163 560	Interest earned - external investments		71 883 969	64 351 217
68 170 240	Interest earned - outstanding debtors		64 806 974	50 270 514
6 117 156	Fines		3 872 220	3 225 523
-	Dividends received		13 563	12 871
20 471 561	Royalties		17 988 380	872 337
6 784 490	Licenses and permits		5 884 381	6 012 255
7 239 300	Income from Agency services		9 522 532	9 014 448
433 419 359	Grants and subsidies	19	587 853 750	419 690 414
30 400 346	Other income	20	25 012 285	31 689 896
4 258 000	Gains on disposal of property, plant and equipment		3 867 149	7 518 244
(6 719 900)	Less: Income foregone		(1 113 066)	(2 129 672)
<b>1 606 204 967</b>	<b>Total Revenue</b>		<b>1 669 188 207</b>	<b>1 410 177 217</b>
<b>EXPENDITURE</b>				
211 485 008	Employee related costs	21	214 621 979	198 402 777
15 840 603	Remuneration of Councillors	22	15 532 004	14 003 778
140 600 000	Bad debts provision		180 600 000	124 375 000
8 449 210	Collection costs		7 558 397	4 737 438
86 730 154	Depreciation		74 005 994	75 098 833
28 479 317	Repairs and maintenance		28 534 431	24 353 643
16 986 606	Interest paid	23	14 467 270	15 486 699
603 126 256	Bulk purchases	24	478 584 761	479 934 471
62 205 909	Contracted services		60 469 217	58 499 854
-	Grants and subsidies paid	25	348 720	357 986
432 030 003	General expenses	26	410 466 835	300 691 253
-	Loss on disposal of property, plant and equipment		-	360 921
<b>1 805 933 066</b>	<b>Total Expenditure</b>		<b>1 485 187 608</b>	<b>1 296 302 653</b>
<b>271 901</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>184 000 599</b>	<b>113 874 564</b>

Refer to Appendix E(1) for the comparison with the approved budget

RUSTENBURG LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Pre-GAMAP Reserves and Funds R	Housing Develop- ment Fund (Internal) R	Housing Develop- ment Fund (Grant) R	Capital Replacement Reserve R	Capitalization Reserve R	Government Grant Reserve R	Donations and Public Contribution Reserve R	Self- Insurance Reserve R	Accumulated Surplus/ (Deficit) R	Total R
<b>2008</b>										
Balance at 1 July 2007	-	4 713 391	59 058 060	234 943 847	246 508 262	309 374 853	11 762 500	16 178 140	252 478 019	1 135 017 082
Correction of error	-	-	-	-	(5)	5	-	-	6 205 441	6 205 441
Correction of error - Contributions	-	-	-	-	-	-	-	-	-	-
Correction of error - off-setting of depreciation	-	-	-	-	-	-	-	-	-	-
Change in accounting policy	-	-	-	-	-	-	-	-	-	-
<b>Restated balance</b>	-	4 713 391	59 058 060	234 943 847	246 508 257	309 374 858	11 762 500	16 178 140	258 683 460	1 141 222 823
Surplus/(deficit) for the year	-	-	-	-	-	-	-	-	113 874 564	113 874 564
Transfer to CRR	-	-	-	50 427 453	-	-	-	-	(50 427 453)	-
Capital grants used to purchase PPE	-	-	-	(102 228 902)	-	-	-	-	102 228 902	-
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	97 362 068	11 571 623	-	(108 933 691)	-
Contribution to Insurance Reserve - Vehicles	-	-	-	-	-	-	-	240 065	(240 065)	-
Contribution to Insurance Reserve	-	-	-	-	-	-	-	3 844 827	(3 844 827)	-
Contribution from Insurance Reserve	-	-	-	-	-	-	-	(334 363)	334 363	-
Insurance claims processed	-	-	-	-	-	-	-	-	-	(50 068 947)
Net increase in Housing Development Fund	-	-	(50 068 947)	-	-	-	-	-	-	(1 085 405)
Transfer to Housing Development Fund	-	587 021	2 107 514	28 263 745	(329 619)	(15 394)	-	1 948 230	(32 884 510)	-
Contributions to Funds and Reserves-Interest	-	-	-	-	(29 296 611)	(23 920 351)	(1 463 896)	-	345 013	-
Asset disposals	-	-	-	-	-	-	-	-	54 680 890	-
Offsetting of depreciation	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2008</b>	-	5 280 412	11 098 657	211 406 143	216 882 027	382 800 161	21 870 225	21 875 000	332 732 109	1 203 944 733
<b>2009</b>										
Correction of errors - various	-	-	-	-	-	-	-	-	2 729 401	2 729 401
Correction of error - new provision for post-retirement	-	-	-	-	-	-	-	-	(38 438 327)	(38 438 327)
Change in useful life estimates: Assets	-	-	-	-	-	-	-	-	37 314 005	37 314 005
<b>Restated balance</b>	-	5 280 412	11 098 657	211 406 143	216 882 027	382 800 161	21 870 225	21 875 000	334 337 188	1 205 549 812
Surplus/(deficit) for the year	-	-	-	-	-	-	-	-	184 000 599	184 000 599
Transfer to CRR	-	-	-	25 008 000	-	-	-	-	(25 008 000)	-
Capital grants used to purchase PPE	-	-	-	(41 211 357)	-	-	-	-	41 211 357	-
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	149 684 373	8 319 785	-	(149 684 373)	-
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	-	-	229 500	(8 319 785)	-
Contribution to Insurance Reserve - Vehicles	-	-	-	-	-	-	-	2 842 741	(229 500)	-
Contribution to Insurance Reserve	-	-	-	-	-	-	-	(453 017)	(2 842 741)	-
Contribution from Insurance Reserve	-	-	-	-	-	-	-	-	453 017	-
Increase/(decrease) in Housing Development Fund	-	-	4 294 050	-	-	-	-	-	-	4 294 050
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Contribution to 2010 FIFA World Soccer-Interest	-	643 154	1 069 318	25 749 268	-	-	-	2 664 375	(30 126 115)	-
Contributions to Funds and Reserves-Interest	-	-	-	-	(24 719 459)	(28 392 060)	(2 700 451)	-	55 812 010	-
Asset disposals	-	-	-	-	192 162 528	504 092 474	27 489 569	-	389 603 657	1 393 844 471
Offsetting of depreciation	-	5 923 666	16 482 036	220 952 054	-	-	-	-	-	-
<b>Balance at 30 June 2009</b>	-	5 923 666	16 482 036	220 952 054	-	-	-	-	-	-

**RUSTENBURG LOCAL MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008
		R	R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		1 459 539 480	1 490 717 997
Cash paid to suppliers and employees		(1 348 159 401)	(1 326 274 847)
Cash generated from/(utilized in) operations	28	111 380 079	164 443 150
Royalties		17 988 380	872 337
Dividends received		13 563	12 871
Interest received		136 690 943	114 621 731
Interest paid		(14 467 270)	(15 466 699)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>251 605 695</b>	<b>264 463 390</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(249 215 515)	(211 162 592)
Proceeds on disposal of property, plant and equipment		3 867 149	7 879 165
(Increase)/decrease in non-current receivables		(1 326 692)	3 239 995
Increase in non-current investments		66 414 319	(7 429 810)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(180 260 739)</b>	<b>(207 473 241)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New loans raised/(repaid)		(1 998 434)	(1 710 103)
Increase in consumer deposits		2 109 710	1 070 497
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>111 276</b>	<b>(639 606)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>71 456 232</b>	<b>56 350 543</b>
Cash and cash equivalents at the beginning of the year	29	535 953 386	479 602 843
Cash and cash equivalents at the end of the year	29	607 409 618	535 953 386
		(71 456 232)	(56 350 543)

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**1. BASIS OF PRESENTATION**

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP).

The Standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changing in Accounting Estimates and Errors
GRAP 4	Effects of Changes in Foreign Exchange Rates
GRAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interests in Joint Ventures
GRAP 9	Revenue
GRAP 12	Inventories
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 6, 7 & 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

The Municipality may have transactions, events or balances that are outside the ambit of GAMAP and GRAP but which are included in Standards of International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants – Public Sector Committee, International Accounting Standards (IAS) issued by the International Accounting Standards Board or Generally Accepted Accounting Practice issued by the South African Accounting Practices Board and the South African Institute of Chartered Accountants.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below:



**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (Continued)**

**2. PRESENTATION CURRENCY**

These Annual Financial Statements are presented in South African Rand.

**3. GOING CONCERN ASSUMPTION**

These Annual Financial Statements have been prepared on a going concern basis.

**4. HOUSING DEVELOPMENT FUND**

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

**5. RESERVES**

**5.1 Capital Replacement Reserve (CRR)**

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. The following provisions are set for the creation, feasibility and utilization of the CRR:

- The cash funds which back up the CRR are invested until utilized. The cash may only be invested in accordance with the investment policy of the Municipality.
- The CRR can only be utilised to finance items of property, plant and equipment and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilised.
- Profit on the sale of land during a financial year is reflected in the Statement of Financial Performance. Profit on the sale of land more than budgeted is transferred annually via the Statement of Changes in Net Assets to the CRR, provided that it cash backed.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

*5.2 Capitalisation Reserve*

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus in terms of a directive (budget circular) issued by National Treasury.

The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus.

*5.3 Government Grant Reserve*

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus via the Statement of Changes in Net Assets.

*5.4 Public Contributions Reserve*

When items of property, plant and equipment are financed from donations or public contributions, a transfer is made from the accumulated surplus to the Public Contributions Reserve equal to the donations or public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions Reserve to the accumulated surplus.

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

*Public Contributions Reserve (Continued)*

The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from donations and public contributions is disposed, the balance in the Public Contributions Reserve relating to such item is transferred to the accumulated surplus.

**5.5 Self-Insurance Reserve**

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally and/or cover the cost of excess payments when claims arise on assets insured externally.

The balance of the Self-Insurance Reserve is annually determined and adjusted after the compilation of the Annual Financial Statements to at least 2, 5% of the carrying value of property, plant and equipment on 30 June, subject to the past claims history and the insurance risk carried by the Municipality. The Self-Insurance Reserve is maintained by a transfer to the accumulated surplus. Short-term investments are earmarked and set aside to ensure that the reserve is cash backed.

Claims and/or excess payments are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Interest earned on the balance of the Self-Insurance Reserve is recorded as interest earned in the Statement of Financial Performance and is transferred to the Self-Insurance Reserve via the Statement of Changes in Net Assets as a contribution.

**6. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less accumulated depreciation. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

**PROPERTY, PLANT AND EQUIPMENT (Continued)**

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

	<u>Years</u>
<b><i>Infrastructure</i></b>	
Roads	30
Paving	20
Electricity	20-30
Water	15-20
Sewerage	20 - 30
<b><i>Housing</i></b>	30
<b><i>Buildings</i></b>	30
<b><i>Other</i></b>	
Other vehicles	5
Office equipment	3-7
Computer equipment & software	2-5
Specialist vehicles	7
Security	5
Furniture and fittings	5-7
Bins and containers	5
Specialised plant and equipment	10-15
Other items of plant and equipment	2-5
Landfill sites	30
<b><i>Community</i></b>	
Buildings	30
Recreational Facilities	20-30

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

The useful life and residual value of assets are assessed annually to determine the appropriateness of management's initial estimate.

Residual values are applied to the following classes at the specified rates:

Vehicles: 30% of the original cost price

Furniture, fittings and office equipment: 10% of the original cost price

Computers: 10% of the original cost price

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

Property, Plant & equipment (Continued)

Infrastructure: Nil, due to the fact that it is not the intention to ever sell infrastructure assets.

Residual values are assessed annually to take into account possible impairment of the asset.

**7. REVALUATION OF LAND AND BUILDINGS**

Land and buildings are stated at historical cost and no revaluation is done.

**8. INVESTMENTS**

**8.1 Financial Instruments**

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

**8.2 Investment in Municipal Entities**

Investments in municipal entities under the ownership control of the Municipality are carried at cost. Separate consolidated financial statements are prepared to account for the Municipality's share of net assets and post-acquisition results of these investments.

**9. INVENTORIES**

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

**10. ACCOUNTS RECEIVABLE**

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

**11. TRADE CREDITORS**

Trade creditors are stated at their nominal value.

**12. REVENUE RECOGNITION**

*12.1 Revenue from Exchange Transactions*

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time proportion basis.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Royalties are recognised on the date that the Municipality actually receives the royalty.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

*12.2 Revenue from non-exchange transactions*

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

**13. CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

**14. PROVISIONS**

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

**15. CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

**16. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**17. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**18. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**19. FOREIGN CURRENCIES**

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

**20. LEASES**

*The Municipality as Lessee*

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.



**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

*Leases (Continued)*

*The Municipality as Lessor*

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**21. RETIREMENT BENEFITS**

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. A provision is made for the post-retirement expenditure to be incurred and is annually recalculated based on the requirements of IAS 19.

**22. BORROWING COSTS**

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

**23. COMPARATIVE INFORMATION**

*20.1 Current year comparatives:*

Budgeted amounts have been included in the Annual Financial Statements for the current financial year only.

*20.2 Prior year comparatives:*

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>1 HOUSING DEVELOPMENT FUND</b>		
Housing Development Fund	<b>22 385 601</b>	<b>16 379 068</b>
Unappropriated Surplus	14 655 035	11 098 657
Retention; Housing	1 807 001	-
Loans extinguished by Government on 1 April 1998 (Old Housing Development Fund)	5 923 565	5 280 411

The Housing Development Fund is represented by the following assets and liabilities

Bank Account	21 139 776	20 995 560
Unspecified Income related to Housing	-	(469 447)
Interest transferred from Accumulated Surplus	643 154	
Debtors - VAT claimable	622 821	4 863 974
Creditors-housing	-	(15 500 068)
Other	(20 151)	(84 803)
Housing - retention		(5 479 074)
Adjustments to VAT pay over	-	151 085
Amount to be carried from Primary Account to ring fence housing		6 621 529
<b>Total Housing Development Fund Assets and Liabilities</b>	<b>22 385 601</b>	<b>11 098 657</b>

**2 LONG-TERM LIABILITIES**

<b>Other long-term loans</b>		
- INCA Loan nr. 1	-	50 000 000
- INCA Loan nr. 2	50 000 000	-
- ABSA Loan - First draw down	17 489 155	18 237 943
- ABSA Loan - Second draw down	18 246 791	18 910 316
- ABSA Loan - Third and final draw down	18 916 554	19 502 675
<b>Sub-total</b>	<b>104 652 500</b>	<b>106 650 935</b>

<b>Less : Current portion transferred to current liabilities</b>	<b>3 311 200</b>	<b>51 998 434</b>
- INCA loan - Redeemed in April 2009	-	50 000 000
- INCA loan - Redeemable on 29 February 2024	1 066 031	
- ABSA Loan - First draw down - 30 June 2005	840 445	748 788
- ABSA Loan - Second draw down - 30 June 2006	745 446	663 525
- ABSA Loan - Third and final draw down - 30 June 2007	659 228	586 120

<b>Total External Loans</b>	<b>101 341 300</b>	<b>54 652 501</b>
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Refer to Appendix A for more detail on long-term liabilities

**INCA Loan Nr. 1**

Bears interest at 16.5% per annum and has been fully redeemed on 23 April 2009 with a redemption fund investment made at INCA specifically for this purpose.

**INCA Loan Nr. 2**

Bears interest at 13.82% per annum and repayable in equal instalments of R4 002 068 at the end of February and August every year, with the last instalment payable on 29 February 2024.

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

ABSA Loan  
Bears respectively interest from first draw down at 11.92%, 12.02% and 12.14%  
and is repayable within 15 years from drawdown.

3 NON-CURRENT PROVISIONS

	2009 R	2008 R
Provision for long-service	1 000 000	-
Provision for Rehabilitation of Landfill sites	4 950 000	4 500 000
Provision for post-retirement medical expenses	41 134 502	3 000 000
<b>Total Non-Current Provisions</b>	<b>47 084 502</b>	<b>4 500 000</b>

The long-service award is payable after every 5 years of continuous service.  
The provision is an estimate of the long-service based on historical staff turnover.

The provision for the rehabilitation of landfill sites was based on the estimated cost to be incurred within a period of two years when current sites will be closed down.

The movement in the provision for long-service awards, are reconciled as follows:

Balance at beginning of year	977 239	1 233 376
Contributions to provision	256 781	-
Expenditure incurred/leave taken	-	(256 137)
Transfer to current provisions	(234 020)	(977 239)
<b>Balance at end of year</b>	<b>1 000 000</b>	<b>-</b>

The movement in the provision for rehabilitation of landfill sites, are reconciled as follows:

Balance at beginning of year	4 500 000	-
Contributions to provision	450 000	4 500 000
Expenditure incurred	-	-
Transfer to current provisions	-	-
<b>Balance at end of year</b>	<b>4 950 000</b>	<b>4 500 000</b>

The movement in the provision for post-retirement medical costs, are reconciled as follows:

Balance at beginning of year	3 000 000	3 000 000
Contributions to provision	42 236 134	-
Expenditure incurred	-	-
Transfer to current provisions	(4 101 632)	-
<b>Balance at end of year</b>	<b>41 134 502</b>	<b>3 000 000</b>

4 CONSUMER DEPOSITS

Electricity and Water	21 769 433	19 659 723
No interest are paid on consumer deposits received.		
<b>Guarantees held in lieu of Electricity and Water Deposits</b>	<b>30 664 153</b>	<b>30 706 801</b>

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>5 PROVISIONS</b>		
Current portion of long-service provision (see note 3 above)	234 020	977 239
Current portion of rehabilitation of landfill site (see note 3 above)	-	-
Current portion of long-service provision (see note 3 above)	4 101 632	-
<b>Total Provisions</b>	<b>4 335 652</b>	<b>977 239</b>
The movement in the current portion of provisions are reconciled as follows:		
Balance at beginning of year	977 239	1 233 377
Transfer from non-current	4 335 652	-
Contributions to provision	(977 239)	-
Expenditure incurred / leave taken	-	(256 137)
<b>Balance at end of year</b>	<b>4 335 652</b>	<b>977 239</b>
<b>6 CREDITORS</b>		
Trade creditors	112 636 363	85 247 873
Payments received in advance	24 220 166	14 857 656
Retentions	23 714 625	16 351 690
Staff leave	14 688 358	19 232 720
Unspecified Income/unallocated grants	16 404 168	12 412 205
Other creditors	11 665 472	8 102 335
<b>Total Creditors</b>	<b>203 329 151</b>	<b>156 204 479</b>
<b>7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<i>7.1 Conditional Grants from other spheres of Government</i>		
MIG Grants	24 068 426	44 161 004
Bojanala Platinum District Municipality	400 000	3 751 950
Finance Management Grant	3 589 141	3 462 676
Public Transport Infrastructure (PTIS)	22 667 394	31 292 786
Other conditional grants - Upgrading of fire stations	8 000 000	3 500 000
DSAC - Tlhabane Library Grant	666 659	2 835 854
DSAC - Library, Information & educational network Grant	622 677	-
FIFA 2010 World Cup - See also note 16.3	3 738 419	48 362 926
FIFA 2010 World Cup - See also note 16.3	4 494 029	-
MSIP Grant	278 327	257 825
IMMIS Grant	-	-
DWAF: refurbishment of Transfer Assets	93 168	-
DWAF Greening Strategy	-	19 933
Magalies Water	-	1 986 498
SEED funding	1 123 427	1 123 427
DWAF - Water Services Development Plan	-	497 580
DME	6 868 628	622 357
IDP Grant	194 992	194 992
<i>7.2 Other Conditional Receipts</i>		
Public contributions	1 431 209	579 136
<b>Total Conditional Grants and Receipts</b>	<b>78 236 496</b>	<b>142 648 944</b>
See Note 19 for reconciliation of grants from other spheres of government. These amounts are not yet invested in a ring-fenced investment until utilized.		
<b>8 VAT</b>		
Net VAT payable	<b>43 485 743</b>	<b>38 244 328</b>

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

9. PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2009								
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing (Rental Old Age)	Leased Infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2008	107 656 471	651 216 422	52 567 269	429 115	96 197 650	3 419 832	-	911 486 559
Cost after reclassification	140 219 674	996 296 519	100 248 504	429 115	193 736 071	4 753 493	-	1 437 683 976
Cost	140 219 674	996 296 519	100 248 504	429 115	193 736 071	4 753 493	-	1 437 683 976
Correction of reclassification Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation after reclassification	32 563 403	347 080 497	47 681 235	-	97 536 421	1 333 861	-	626 197 417
Cost	31 694 768	378 724 295	48 194 647	-	103 563 851	1 333 861	-	563 511 422
Change in useful life estimate Revaluation	868 635	(31 643 798)	(513 412)	-	(6 026 430)	-	-	(37 314 005)
Acquisitions	37 143 546	82 880 123	8 739 455	-	26 897 915	-	-	155 661 039
Capital under Construction	-	93 554 476	-	-	-	-	-	93 554 476
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	3 702 300	44 007 543	3 746 174	-	22 549 976	-	-	74 005 993
- based on cost	3 702 300	44 007 543	3 746 174	-	22 549 976	-	-	74 005 993
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	(203 926)	-	-	-	(147 607)	-	-	(351 535)
Cost/revaluation	(292 485)	-	-	-	(590 000)	-	-	(882 485)
Accumulated depreciation	88 567	-	-	-	442 393	-	-	530 950
Impairment losses	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2009	140 893 789	783 643 478	57 560 550	429 115	100 397 982	3 419 832	-	1 085 344 546
Cost	177 070 635	1 174 731 518	106 987 959	429 115	220 043 988	4 753 493	-	1 686 017 008
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	36 177 146	391 088 040	51 427 409	-	119 646 004	1 333 861	-	599 672 460
- Cost	36 177 146	391 088 040	51 427 409	-	119 646 004	1 333 861	-	599 672 400
- Revaluation	-	-	-	-	-	-	-	-

30 JUNE 2008								
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing (Rental Old Age)	Leased Infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2007	78 915 716	521 747 140	53 620 747	429 115	80 193 569	3 553 429	-	738 409 716
Cost after reclassification	108 030 193	854 771 938	97 944 388	429 115	166 063 185	4 753 493	-	1 231 992 310
Cost	108 030 193	854 771 938	97 944 388	429 115	166 063 185	4 753 493	-	1 231 992 310
Correction of reclassification Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation after reclassification	29 114 477	333 024 798	44 323 639	-	85 869 616	1 190 054	-	493 522 584
Cost	29 114 477	333 024 798	44 323 639	-	85 869 616	1 190 054	-	493 522 584
Correction of reclassification Revaluation	-	-	-	-	-	-	-	-
Acquisitions	32 189 681	143 545 277	2 304 118	-	33 123 516	-	-	211 162 592
Capital under Construction	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	2 580 291	45 708 929	3 871 008	-	22 794 808	143 797	-	75 098 833
- based on cost	2 580 291	45 708 929	3 871 008	-	22 794 808	143 797	-	75 098 833
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	10 864	-	-	350 057	-	-	360 921
Cost/revaluation	-	20 296	-	-	5 450 630	-	-	5 470 926
Accumulated depreciation	-	(9 432)	-	-	(5 100 573)	-	-	(5 110 005)
Impairment losses	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2008	108 525 106	619 572 624	52 053 857	429 115	90 172 220	3 419 832	-	874 172 554
Cost	140 219 674	996 296 519	100 248 504	429 115	193 736 071	4 753 493	-	1 437 683 976
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	31 694 768	378 724 295	48 194 647	-	103 563 851	1 333 861	-	563 511 422
- Cost	31 694 768	378 724 295	48 194 647	-	103 563 851	1 333 861	-	563 511 422
- Revaluation	-	-	-	-	-	-	-	-

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done before 30 June 2010.

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>10 INVESTMENTS</b>		
<u>Listed</u>		
- 13 840 Sanlam shares	90 728	90 728
<u>Unlisted</u>		
- Investment in Municipal Entities - at cost - Rustenburg Water Services Trust	1 000	1 000
<u>Financial Instruments</u>		
- Fixed Deposits	603 156	67 017 475
<b>Total Investments</b>	<b>694 884</b>	<b>67 109 202</b>

Fixed Deposits of R Nil (2008: R45 557 315) are ring fenced for the purpose of repaying long-term liabilities as set out in note 2.

Market valuation of listed investments  
Sanlam shares

	239 155	229 744
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Council's valuation of unlisted Investments

Investment in Municipal Entity: Rustenburg Water Services Trust

	1 000	1 000
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Investment in Municipal Entity: Rustenburg Water Services Trust (RWST)

Percentage owned by Council (%)	100%	100%
Indebtness of Municipal Entities (R)	4 015 946	4 182 547
Dividend received (R)	-	-
Management fees received (R)	-	-
Purification charges paid to RWST	29 098 377	26 750 598
Purified water purchased from RWST(Irrigation pipeline revenue)	12 423	158 257
Potable water purchased from Kloof Water Works	446 226	307 103
Bospoort Purified Potable Water	13 868 975	14 609 360

**11 LONG-TERM RECEIVABLES**

Consumer debtors transferred to long-term debtors (Wa Wina-project)

Wa Wina-cost recovery project

Less: Provision for doubtful debts

Loans - Sale of Stands

Vehicle Loans

Finance lease to Rustenburg Water Services Trust (Municipal Entity)

Individual Housing Building Scheme

Rustenburg Water Services Trust

	3 168 353	1 489 440
	118 668 353	121 489 440
	(115 500 000)	(120 000 000)
	458 522	488 147
	-	170 847
	4 015 946	4 082 482
	-	5 348
	-	120 065
	7 642 822	8 318 130
	(61 604)	(215 912)
	-	(55 525)
	-	(108 502)
	(61 604)	(46 536)
	-	(5 348)

Less : Current portion transferred to current receivables

Loans - Sale of Stands

Vehicle Loans

Finance lease to Rustenburg Water Services Trust (RWST)

Individual Housing Building Scheme

**Total Receivables**

	7 581 217	6 100 218
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**LOANS TO MUNICIPAL ENTITIES**

No new loans were made to the municipal entity.

**CAR LOANS**

Senior staff was previously entitled to car loans which attract interest between 8% and 16% per annum and which are repayable over a maximum period of 6 years. No new loans were granted since the implementation of the MFMA on 1 July 2004.

**HOUSING SCHEME LOANS**

Housing loans were granted to qualifying individuals in terms of the provincial administrations housing programme. These loans attract interest of 13,5% per annum and are repayable over 20 years.

**FINANCE LEASE TO RUSTENBURG WATER SERVICES TRUST**

Finance lease granted to the entity (RWST) for sewerage plant transferred by the municipality to the RWST. The lease is repayable over twenty years, in half yearly payments every year at the end of June and december, bear interest at 5% per annum with the last instalment due on 30 June 2025.

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>12 INVENTORY</b>		
Consumable stores – at cost	396 818	461 612
Maintenance materials – at cost	16 728 905	10 941 781
Spare parts – at net realizable value	63 657	75 939
Protective clothing - at cost	357 519	401 993
Water – at cost	258 584	204 490
Unsold properties held for resale – at net realizable value	2 055 985	2 131 702
<b>Total inventory</b>	<b>21 861 768</b>	<b>14 217 517</b>

The infrastructure portion of unsold properties held for resale was capitalized in accordance with the prescribed accounting standard. See note 27 for further detail.

**13 CONSUMER DEBTORS**

	Gross Balances	Provision for Bad debts	Net Balances
<b>As at 30 June 2009</b>			
Service debtors	1 026 856 571	856 302 128	170 554 443
Rates	117 050 026	97 808 750	19 441 276
Electricity	108 984 823	89 215 314	17 769 509
Water	334 994 799	279 354 262	55 640 537
Refuse	109 704 174	91 482 998	18 221 176
Sewerage	90 918 396	75 815 752	15 100 644
Other	267 208 353	222 825 052	44 381 301
Housing rentals	2 755 552	2 297 872	457 680
<b>Sub-Total</b>	<b>1 029 612 123</b>	<b>858 800 000</b>	<b>171 012 123</b>
Less: Consumer debtors transferred under Wa Wina project to Long-term Debtors	(118 668 353)	(115 500 000)	(3 188 353)
<b>Total: Consumer debtors</b>	<b>910 943 770</b>	<b>743 100 000</b>	<b>187 843 770</b>

**As at 30 June 2008**

Service debtors	840 384 153	876 161 973	184 222 180
Rates	95 848 422	77 118 372	18 730 050
Electricity	100 039 288	80 490 286	19 549 000
Water	265 343 552	213 491 912	51 851 640
Refuse	93 120 437	74 923 472	18 196 965
Sewerage	77 313 175	82 205 158	15 108 017
Other	208 719 281	167 932 773	40 786 508
Housing rentals	2 284 436	1 838 027	446 409
<b>Sub-total</b>	<b>842 668 589</b>	<b>678 000 000</b>	<b>164 668 589</b>
Less: Consumer debtors transferred under Wa Wina project to Long-term Debtors	(121 489 441)	(120 000 000)	(1 489 441)
<b>Total: Consumer debtors</b>	<b>721 179 148</b>	<b>558 000 000</b>	<b>163 179 148</b>

**Consumer debtors: Ageing (Wa Wina excluded)**

Current	86 732 233	89 140 048
30 Days (0 – 30 days)	44 299 058	34 191 735
31 - 60 Days	25 723 435	22 854 973
61 - 90 Days	25 557 734	22 576 832
91 - 120 Days	23 092 845	27 756 854
120+ Days	705 538 465	524 658 706
<b>Total</b>	<b>910 943 770</b>	<b>721 179 148</b>

**Rates: Ageing (Wa Wina excluded)**

Current	10 270 948	7 539 902
30 Days (0 – 30 days)	5 357 570	4 534 756
31 - 60 Days	3 279 892	2 796 792
61 - 90 Days	2 768 120	2 256 200
91 - 120 Days	2 525 249	2 058 011
120+ Days	78 756 762	62 052 430
<b>Total</b>	<b>102 958 541</b>	<b>81 238 091</b>

	2009 R	2008 R
<u>(Electricity, Water, Sewerage, refuse and other): Ageing(Wa Wina excluded)</u>		
Current	76 224 939	81 409 655
30 Days (0 – 30 days)	38 780 286	29 555 614
31 - 60 Days	22 335 003	20 019 708
61 - 90 Days	22 732 586	20 281 143
91 - 120 Days	20 526 733	25 673 996
120+ Days	624 630 130	480 716 504
Total	<u>805 229 677</u>	<u>637 656 620</u>
<u>Housing rentals: Ageing</u>		
Current	236 345	190 491
30 Days (0 – 30 days)	161 202	101 365
31 - 60 Days	108 540	38 473
61 - 90 Days	57 028	39 488
91 - 120 Days	40 863	24 847
120+ Days	2 151 574	1 880 773
Total	<u>2 755 552</u>	<u>2 284 437</u>

## Summary of debtors by Customer Classification as at 30 June 2009

	Residential	Other	Industrial & Commercial	National & Provincial Government
Current				
30 Days (0 – 30 days)				
31 - 60 Days				
61 - 90 Days				
91 - 120 Days				
120+ Days				
Total				

## Summary of debtors by Customer Classification as at 30 June 2008

	Residential	Other	Industrial & Commercial	National & Provincial Government
Current	29 542 033	24 994 692	43 320 086	106 613
30 Days (0 – 30 days)	23 506 423	3 595 466	6 167 323	12 826
31 - 60 Days	17 613 204	2 024 921	2 258 849	7 571
61 - 90 Days	14 076 955	5 792 934	1 681 480	6 639
91 - 120 Days	14 058 342	10 866 763	2 190 618	5 765
120+ Days	441 308 890	36 226 487	41 707 795	64 476
Total	<u>540 105 847</u>	<u>83 503 283</u>	<u>97 346 131</u>	<u>223 890</u>

Reconciliation of the bad debt provision

Balance at beginning of the year	678 000 000	553 825 000
Contributions to provision	160 600 000	124 375 000
Bad debts written off against provision	-	-
Reversal of provision	-	-
Balance at end of year	<u>838 600 000</u>	<u>678 200 000</u>

Bad debts to the amount of R 1 293 (2008: R606 524 ) was written off during the year.

## 14 OTHER DEBTORS

Grant Debtors - Capital Projects	-	6 389 891
Study Bursaries to employees	945 082	888 400
Austrian Government - Capital Projects: Lethabong	-	1 827 394
Interest Receivable	3 551 064	4 550 312
Other	444 395	1 226 445
Total Other Debtors	<u>4 940 542</u>	<u>14 882 443</u>



RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>15 SHORT-TERM FIXED DEPOSITS</b>		
- ABSA	109 062 686	90 000 000
- Nedbank (CRR)	60 493 644	75 000 000
- First National Bank	103 904 634	100 000 000
- Sanlam (CRR)	35 492 525	27 221 397
- ABSA - Guarantee deposit	590 000	590 000
- Kagiso Asset Management (Self Insurance Reserve and Development of Housing)	35 140 943	26 966 555
- Standard Bank (CRR)	123 256 807	105 000 000
	<u>467 941 238</u>	<u>424 777 952</u>
Certain of the above deposits have been earmarked to cover the balance of the Capital Replacement Reserve (CRR), the Self-Insurance Reserve and Development of Housing. The average interest earned on these fixed deposits was 12.18% (2008: 12.03%)		
<b>16 BANK BALANCES AND CASH</b>		
<b>16.1 Current Account (Primary Bank Account)</b>		
ABSA, Rustenburg branch		
Account number: 1220 000 458		
Cash book balance at beginning of year	41 788 587	90 411 313
Cash book balance at end of year	<u>114 573 995</u>	<u>41 788 587</u>
Bank statement balance at beginning of year	99 099 207	106 732 049
Bank statement balance at end of year	<u>169 961 279</u>	<u>99 099 207</u>
The Municipality does not utilize overdraft facilities, although an overdraft facility of R1 468 863 has been granted by ABSA.		
<b>16.2 Housing Development Account</b>		
ABSA, Rustenburg branch		
Account number: 405 461 7192		
Cash book balance at beginning of year	20 995 660	55 513 999
Cash book balance at end of year	<u>21 139 776</u>	<u>20 995 660</u>
Bank statement balance at beginning of year	21 339 700	63 870 481
Bank statement balance at end of year	<u>21 331 297</u>	<u>21 339 700</u>
<b>16.3 2010 FIFA World Soccer Bank account</b>		
ABSA, Rustenburg branch		
Account number: 40-6780-2132		
Cash book balance at beginning of year	48 362 926	4 057 991
Cash book balance at end of year	<u>3 728 249</u>	<u>48 362 926</u>
Bank statement balance at beginning of year	52 362 926	4 057 991
Bank statement balance at end of year	<u>39 239 784</u>	<u>52 362 926</u>
Bank and cash balances at end of year:		
- Bank balances as disclosed above	139 440 020	111 147 074
- Cash on hand	28 360	28 360
	<u>139 468 380</u>	<u>111 175 434</u>
<b>17 PROPERTY RATES</b>		
<u>Actual</u>		
Residential	60 741 972	55 216 497
Commercial	38 285 053	35 370 101
Agricultural	1 952 556	1 868 275
State	4 661 201	3 733 442
<b>Total Assessment Rates</b>	<u>105 640 782</u>	<u>96 188 315</u>
<u>Property Valuations: Site values only</u>	<u>June 2009</u>	<u>June 2008</u>
Residential	1 351 570 450	1 310 529 450
Commercial	437 988 001	436 013 000
Industrial	33 170 000	31 585 000
Municipal	7 896 300	7 706 300
Agricultural	299 925 164	300 319 164
State	175 940 220	177 935 220
Churches	1 448 800	803 800
Educational	4 189 900	3 869 900
<b>Total Property Valuations: Sites</b>	<u>2 312 128 835</u>	<u>2 268 761 834</u>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 October 2003 and have been effective until 30 June 2009. The new Property Rates Act was implemented on 1 July 2009 together with a new valuation roll. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of 4.53 cent (2008: 4.10 cent) in the rand on the land value of residential properties is applied to property valuations to determine assessment rates. Rebates of between 20% and 40% are given to pensioners depending on their gross monthly income. Different rates are applied to different type of properties

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>18 SERVICE CHARGES</b>		
Sale of electricity	508 198 632	491 958 180
Sale of water	181 153 111	157 625 312
Refuse removal	41 636 616	35 903 601
Sewerage and sanitation charges	38 160 319	34 299 021
<b>Total Service Charges</b>	<b>769 148 678</b>	<b>719 786 114</b>
<b>19 GRANTS AND SUBSIDIES</b>		
- From organs of the State on National level		
Equitable share	131 308 088	97 332 244
Provincial health subsidies	252 184	1 085 185
2010 FIFA WSDP	111 621 042	76 215 000
FIFA Host City Grant	10 823 480	-
MIG Grant	114 727 214	74 753 651
Housing project grants	15 698 958	137 685 254
Skills levy	656 435	23 040
Department of Water Affairs and Forestry (DWAF)	931 250	80 067
Department of Minerals & Energy (DME)	17 753 729	11 795 772
Municipal Infrastructure Grant for PMU	2 400 028	-
Integrated Transport Study Grant	207 857	2 013 133
Integrated Development Grant	-	114 104
Finance Management Grant	500 000	250 000
PTIS	117 074 536	2 272 957
Seta: EPWP training	-	-
Department of Sports, Arts & Culture (DSAC)	11 083 035	3 114 600
Department of Sports, Arts & Culture (DSAC) - Upgrading Moses Kotane Sport Stadium	30 662 063	-
IMMIS grant	-	159 035
Municipal Systems Improvement Grant	714 488	153 450
- Private grants/subsidies		
DBSA - City Development Agency	-	449 991
Library: Standard Bank	6 753	-
Business Advice Centre: Anglo Platinum	572 383	-
Tribal authority grant	0	146 474
Royal Bafokeng Nation - Western by-pass	187 367 44	-
Mines	350 000	210 848
- From other municipalities		
Local Government SETA	429 500	657 686
BPD - Cleaning of cemeteries/LED Business Plans & other	1 076 714	9 746 221
NWPG	47 249	-
Other	-	133 452
<b>Total Government Grant and Subsidies</b>	<b>587 853 750</b>	<b>419 690 414</b>

The municipality has complied with all the conditions set by the transferring organ of State or the conditions set by the other institutions who made allocations to the municipality. The unspent portion of conditional allocations are disclosed as unspent conditional grants on the face value of the Statement of Financial Position of the municipality.

**19.1 Equitable Share**

In terms of the Division of Revenue Act, the annual equitable share allocated to the municipality is an unconditional grant. A portion of this grant is used by the municipality to subsidize the provision of basic services in line with national policy. All registered indigent consumers of municipal services receive a monthly subsidy of R 480-60 (2008: R347) if the household income is below R 1 010 (2008: R 940) per month. If household income is more than R1 010 (R2008: R 940) but less than R2 020 (2008: R1 880) per month, only 50% of the subsidy is allocated to the indigent household.

**19.2 Changes in levels of government grants**

Based on the allocations set out in the latest Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

**20 OTHER INCOME**

Service connections	9 813 360	12 390 952
Reconnection fees	6 491 525	4 858 280
Telephone fees recovered	426 599	584 509
Tender document fees	445 273	1 744 455
Engineering services (also contributed to CRR)	-	3 895 237
Recoverable expenditure	-	1 289 543
Other	7 835 528	6 926 920
<b>Total Other Income</b>	<b>25 012 285</b>	<b>31 689 896</b>

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>21 EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries and Wages	137 206 237	127 244 092
Employee related costs - Contributions for UIF, pensions and medical aids	39 402 504	36 351 104
Travel, motor car, accommodation, subsistence and other allowances	13 353 862	10 116 406
Housing benefits and allowances	2 847 726	2 343 357
Overtime payments	15 467 180	11 534 449
Annual bonus	9 789 026	10 059 794
Other	2 088 719	5 336 973
Less: Employee costs capitalized to Property, Plant and Equipment	(3 227 475)	(2 943 214)
Less: Employee costs included in other expenses	(2 305 800)	(1 640 184)
<b>Total Employee Related Costs</b>	<b>214 621 979</b>	<b>198 402 777</b>

There were no new advances to employees. Loans to employees are set out in note 14.

*Remuneration of the Municipal Manager*

Annual Remuneration	896 750	799 543
Performance bonus	-	124 226
Travelling allowance	180 000	180 000
Contributions to UIF, Medical and Pension Funds	85 278	85 110
Accumulated leave paid out	114 787	-
<b>Total</b>	<b>1 276 815</b>	<b>1 168 879</b>

*Remuneration of the Chief Finance Officer*

Annual Remuneration	763 413	119 208
Performance bonus	-	110 215
Travelling allowance	144 000	12 000
Contributions to UIF, Medical and Pension Funds	1 497	233
Accumulated leave paid out	-	197 951
Acting allowance	-	83 787
<b>Total</b>	<b>908 910</b>	<b>523 394</b>

*Remuneration of Individual Executive Directors*  
30 June 2009

	Public Safety	Planning & Development	Infrastructure Development	Corporate Services
Annual Remuneration	587 789	600 715	724 024	652 024
Performance bonus	-	-	-	-
Travel Allowance	84 000	91 452	108 000	180 000
Contributions to UIF, Medical and Pension Funds	42 213	89 635	112 838	120 046
Settlement amount	-	-	-	-
Accumulated leave paid out	37 620	113 766	-	-
Acting allowance	-	-	-	-
<b>Total</b>	<b>751 622</b>	<b>875 568</b>	<b>944 862</b>	<b>952 070</b>

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>30 June 2009</b>	<b>Community Development</b>	<b>Local Economic Development</b>
Annual Remuneration	598 647	538 028
Performance bonus	-	-
Travel Allowance	84 000	84 000
Contributions to UIF, Medical and Pension Funds	118 233	92 373
Accumulated leave paid out	-	-
Acting allowance	-	-
<b>Total</b>	<b>800 880</b>	<b>714 401</b>
<b>30 June 2008</b>	<b>Public Safety</b>	<b>Planning &amp; Development</b>
Annual Remuneration	526 935	586 180
Performance Bonuses	81 596	84 987
Travel Allowance	84 000	108 000
Contributions to UIF, Medical and Pension Funds	1 473	1 473
Settlement amount	-	-
Leave paid out	-	-
Acting allowance	-	16 656
<b>Total</b>	<b>694 004</b>	<b>780 640</b>
<b>30 June 2008</b>	<b>Infrastructure Development</b>	<b>Corporate Services</b>
Annual Remuneration	492 512	481 681
Performance Bonuses	82 916	35 404
Travel Allowance	133 000	84 000
Contributions to UIF, Medical and Pension Funds	1 348	1 473
Settlement amount	-	-
Leave paid out	-	-
Acting allowance	-	-
<b>Total</b>	<b>709 775</b>	<b>602 558</b>
<b>22 REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	619 178	518 355
Speaker	480 670	405 068
Mayoral Committee Members	3 380 388	3 427 454
Councillors	10 096 359	8 814 683
Councillors' pension contribution	975 411	838 220
<b>Total Councillors' Remuneration</b>	<b>15 532 004</b>	<b>14 003 778</b>
The Council contribution to the pension fund for the Executive Mayor, Speaker and Mayoral Committee members are included in the specific line above. Pension contributions above are thus for all Councillors not specifically disclosed.		
<i>In-kind Benefits</i>		
The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties and has a full time driver and body guard. The Executive Mayor further has access to a budget of R250 000 per annum to be utilized as he deems fit.		
The Executive Mayor have access to an entertainment facility of R20 000 per annum. The Speaker, Chief Whip and members of the Mayoral Committee have all access to an entertainment facility of R 12 000 per annum.		
<b>23 INTEREST PAID</b>		
Long-term liabilities	14 467 270	15 486 699
<b>24 BULK PURCHASES</b>		
Electricity : Other consumers	197 010 989	141 529 136
Electricity: Bulk Consumer	162 275 877	240 234 799
Water	119 297 895	98 170 536
<b>Total Bulk Purchases</b>	<b>478 584 761</b>	<b>479 934 471</b>

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>25 GRANTS AND SUBSIDIES PAID</b>		
Grant paid to SPCA		
Grant to Rustenburg Municipality: Sport and Recreation Club	300 000	300 000
Grant to Bessie Mpelelele Ngwana - Children's Home	48 720	50 000
	-	7 986
<b>Total Grants and Subsidies</b>	<b>348 720</b>	<b>357 986</b>
The subsidy to the SPCA is to assist this registered charity to undertake its tasks.		
The grant to Bessie Mpelelele Ngwana is to support physically challenged children.		
<b>26 GENERAL EXPENSES</b>		
Included in general expenses is the following:-		
<b>26.1 Rentals: Operating lease - L. M. Wulfsohn Motors (Pty) Ltd</b>	<b>597 905</b>	<b>592 226</b>
Full maintenance lease agreement with on 13 vehicles. The municipality do not have the option to take over ownership of the leased vehicles when the lease period expires.		
<b>26.2 Material losses due to:</b>		
- Theft of electricity transformers in rural areas		21 133
The above risks were not covered under the insurance scheme of Council.		<b>21 133</b>
<b>26.3 Funeral assistance to Councillor families</b>	<b>299 625</b>	
<b>27 CHANGE IN ACCOUNTING POLICY AND CORRECTION OF ERRORS</b>		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from:		
<b>27.1 Correction of error: Accumulated Surplus</b>		
Balance previously reported: 30 June 2008	332 732 109	252 478 019
- Net correction of previous year results	1 605 079	6 205 441
Restated balance of Accumulated Surplus: 1 July 2008	<b>334 337 188</b>	<b>258 683 460</b>
<b>28 CASH GENERATED FROM/(UTILIZED IN) OPERATIONS</b>		
Surplus for the year	184 000 599	113 874 564
Adjustment for:-		
Depreciation	74 005 994	75 098 833
Loss / (Gain) on disposal of property, plant and equipment	(3 867 149)	(7 879 165)
Contribution to/from provisions - non-current	(211 663 331)	(168 960 993)
Contribution to bad debt provision	180 800 000	124 375 000
Royalties	(17 988 380)	(872 337)
Dividends received	(13 563)	(12 871)
Investment income	(136 690 943)	(114 621 731)
Interest paid	14 467 270	15 486 699
<b>Operating surplus before working capital changes:</b>	<b>82 850 497</b>	<b>36 487 999</b>
(Increase)/Decrease in inventories	(7 644 252)	(1 240 827)
(Increase)/decrease in debtors	(4 664 622)	(5 129 563)
(Decrease)/increase in unspent conditional grants and receipts	9 941 901	(1 459 644)
Increase/(Decrease) in creditors	(64 412 448)	108 947 402
Increase/(Decrease) in provisions	47 124 672	20 694 944
Increase in VAT	42 942 915	4 243 863
Cash generated by/(utilized in) operations	<b>5 241 415</b>	<b>1 898 977</b>
	<b>111 380 079</b>	<b>164 443 150</b>

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>29 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
Bank balances and cash	139 468 380	111 175 434
Call investment deposits	467 941 238	424 777 952
<b>Total cash and cash equivalents</b>	<b>607 409 618</b>	<b>535 953 386</b>
<b>30 UTILIZATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term liabilities	104 652 500	106 650 934
Used to finance property, plant and equipment – at cost	162 640 535	112 640 535
Sub- total	(57 988 035)	(5 989 601)
Cash set aside for the repayment of long-term liabilities	-	51 546 916
<b>(Shortfall)/ Cash invested for repayment of long-term liabilities</b>	<b>(57 988 035)</b>	<b>45 557 315</b>
External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long term liabilities can be repaid on the redemption date.		
<b>31 UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
<b>31.1 Unauthorized expenditure</b>		
<b>-2009</b>		
No known material unauthorized expenditure were incurred or disallowed during the year under review.		
<b>-2008</b>		
No known material unauthorized expenditure were incurred or disallowed during the year under review.		
<b>31.2 Fruitless and wasteful expenditure</b>		
<b>-2009</b>		
No known material fruitless and wasteful expenditure were incurred during the year under review, except penalties and interest charged by SARS to the amount of R 1 360 937. However, R 1205 059 will be refunded by SARS following successful objection.		
<b>-2008</b>		
No known material unauthorized expenditure were incurred or disallowed during the year under review.		
<b>32 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>32.1 Contributions to organized local government</b>		
Opening balance	-	-
Council subscriptions - this year	847 124	839 571
Amount paid - current year	(847 124)	(839 571)
Amount paid - previous years	-	-
<b>Balance unpaid</b>	<b>-</b>	<b>-</b>
<b>32.2 Audit fees</b>		
Opening balance	-	-
Current year audit fee (2008/09)	146 991	-
Audit fee charged; previous years (2007/08)	1 895 367	1 946 603
Amount paid - current year	(1 895 367)	-
Amount paid - previous years (2007/08)	-	(1 946 603)
<b>Balance unpaid (included in creditors)</b>	<b>146 991</b>	<b>-</b>
<b>32.3 VAT</b>		
Net VAT payable are disclosed in note 8. All VAT returns have been submitted by the due date throughout the year.		
<b>32.4 PAYE &amp; UIF</b>		
Opening balance	-	-
Current year payroll deductions & Council Contribution	24 518 261	22 302 858
Amount paid - current year	(24 518 261)	(22 302 858)
Amount paid - previous years	-	-
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
<b>32.5 Other levies paid</b>		
Skills development levy	1 745 089	1 588 076
Motor vehicle license fees collected and paid over to NWPLG	48 003 401	38 483 239
	<u>49 748 490</u>	<u>40 071 315</u>
<b>32.6 Pension and Medical Aid Deductions</b>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	59 809 089	55 200 276
Amount paid - current year	(59 809 089)	(55 200 276)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	<u>-</u>	<u>-</u>

**32.7 Councillor's arrear consumer accounts**

The following Councillors had arrear accounts outstanding for more than 90 days as at:

	30 June 2009	Outstanding less than 30 days	Outstanding > than 30 days	Wa Wina
Lebotse MN	10 731	551	10 180	-
Marekoa BB	5 919	372	5 547	-
Masisi MC	56 928	3 433	52 168	1 327
Mataboge AL & VM	3 570	1 632	1 938	-
Mmusa DN	5 772	804	4 968	-
Mmusa EM	12 574	799	9 939	1 836
Molefe JL	2 481	116	2 365	-
Mpengu ML	16 291	1 003	11 780	3 508
Ngqobo L	13 256	795	9 155	3 306
Nonovi ZA	58 805	1 576	45 076	12 153
Nxumalo J	4 739	783	3 958	-
Sematu JB	1 662	846	816	-
Phiri JM	8 886	500	785	7 801
Seduke D	17 988	940	17 048	-
	<u>219 602</u>	<u>14 150</u>	<u>175 721</u>	<u>29 731</u>

	30 June 2008	Outstanding less than 30 days	Outstanding > than 30 days	Wa Wina
Lebotse MN	6 832	850	5 982	-
Marekoa BB	3 650	410	3 241	-
Masisi MC	29 492	2 654	26 837	1 328
Mmusa EM	7 045	346	6 899	1 836
Mmusa DN	1 669	563	1 106	-
Mokowe LJ & NE	14 513	878	13 634	13 167
Molefe JL	382	285	97	-
Mpengu ML	14 867	1 447	13 421	3 508
Ngqobo L	6 745	429	6 316	3 306
Nonovi ZA	36 009	1 997	34 012	12 153
Nxumalo J	3 167	1 052	2 114	-
Nxumalo J	3 677	1 447	2 230	-
Seduke D	10 655	2 007	8 648	-
	<u>138 704</u>	<u>14 365</u>	<u>124 339</u>	<u>35 298</u>

## 33 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

	2009 R	2008 R
- Approved and contracted for	77 560 329	75 203 324
Water	7 381 411	22 791 546
Electricity	12 380 660	2 910 254
Community	8 488 376	5 347 267
Roads and Stormwater	28 018 131	8 401 050
Waste	19 510 629	18 969 646
Local Economic Development	-	3 547 399
Sanitation	5 761 122	15 236 162
- Approved but not yet contracted for	312 766 132	123 788 507
Water	31 844 017	27 506 343
Electricity	58 970 442	18 540 090
Street lights	6 438 023	-
Community	11 900 717	8 772 201
Local Economic Development	-	-
Waste Management	49 808 627	5 109 080
Roads and Stormwater	92 354 306	47 666 989
Sanitation	61 450 000	15 973 804
<b>Total</b>	<b>390 316 461</b>	<b>198 991 831</b>
This expenditure will be financed from:		
- Capital Replacement Reserve	48 722 419	46 616 359
- Government Grants	341 594 042	138 723 482
- Own resources	-	10 452 583
- District Council Grants	-	5 199 397
	<b>390 316 461</b>	<b>198 991 831</b>

## 34 RETIREMENT BENEFIT INFORMATION

Personnel and Councillors are members of the following funds:

Joint Municipal Pension Fund (JMPF)  
Municipal Gratuity Fund (MGF)  
Municipal Employees Pension Fund (MEPF)  
Municipal Councillors Pension Fund (MCPF)  
Government Employees Pension Fund  
National Fund for Municipal Workers (NFMW)

Last known actuarial valuations is as follows:

	Actuarial	Valuations Interim	Level
The Municipal Gratuity Fund is a defined benefit governed under the Pension Fund Act of 1956. The most recent actuarial valuation indicated that the fund	30-Jun-02	30-Jun-04	Fully Funded
The NFMW is a fixed contribution fund and there is no statutory requirement to do an actuarial valuation	30-Jun-04	30-Jun-05	Fully Funded
The MEPF is a fixed contribution fund.	28-Feb-02	28-Feb-05	Fully Funded
The MCPF is a fixed contribution fund.	30-Jun-04	30-Jun-05	Fully Funded
The JMPF is a fixed contribution fund.	30-Jun-03	31-Dec-04	104.20% Not Fully Funded 99.30%

All Councillors and employees belong to the 5 defined benefit retirement funds administered by the Provincial Pension Fund as disclosed above. These funds are subject to a triennial actuarial valuation.

An amount of R23.6 million (2007: R21.5 million) was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.



RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

35 CONTINGENT LIABILITY

	2009 R	2008 R
1. Guarantees by Council in respect of bulk electricity supply in Lethabong for sewer purification plant.	580 000	580 000
2. Defamation claim - Case 1404/05	1 500 000	1 500 000
3. Performance bonuses of Municipal Manager, Directors, Unit & Section Managers	1 200 000	1 200 000
4. Cancellation of agreement in dispute	30 000 000	-
5. Pension fund contributions ex Tlhabane officials State Pension Fund	1 217 336	1 217 336
6. Dispute over alienation and transfer of property	500 000	500 000
7. Service provider contesting the allocation of a security service bid	1 500 000	1 000 000
8. The Government Pension Fund contesting water meter readings	2 000 000	2 000 000
9. An employee contesting dismissal. Should he succeed, the amount disclosed is the possible costs	650 000	500 000
10. Claims for alleged unlawful detention and arrest	1 600 000	-
11. Dispute over Town Planning scheme serving before the Appeal Tribunal	2 000 000	-
12. Faulty robots - claim against the municipality	150 000	-
13. Dispute claim for services rendered	50 000	-
14. Claim against the municipality for the expropriation of water supply pipeline	1 500 000	-
15. Court order restraining the municipality from upgrading hostels	1 500 000	-
16. A service provider contesting the cancellation of his service contract on the basis of fraud.		300 000
17. Dispute over the interpretation of a service level agreement		500 000
18. Possible legal costs on a number of smaller contested legal actions		490 000
	<u>45 957 336</u>	<u>9 797 336</u>

1. The guarantees are only payable should there be default in the payment for electricity supplied by ESKOM.

2. The municipality is being sued by a service provider for defamation. The amount disclosed is an estimate should the High Court rule against the municipality. The contingent liability includes legal costs of R300 000.

3. Managers have not yet been assessed in terms of the performance contracts entered into with the municipality. Once assessed, the performance bonuses will be payable.

4. The municipality is in arbitration with a service provider regarding the cancellation of a contract for the construction of RDP houses

5. The contingent liability arises from the difference between municipal pension fund contributions that could be payable by the municipality to the pension fund of employees transferred to the municipality should the municipality be liable to pay a higher contribution. The amount disclosed is an estimate due to uncertainties surrounding the matter.

Contingent liabilities disclosed from 6 to 15 above are the estimated costs to the municipality should the disclosed claims be lost by the municipality

36 RELATED PARTY TRANSACTIONS

Rustenburg Water Services Trust is defined as a related party, due to being a 100% owned municipal entity and being the sole beneficiary of the Trust. Refer note 10.

36.1 Services rendered by related parties

Purification charges paid to RWST	29 096 377	26 756 598
Purified water purchased from RWST (irrigation pipeline revenue)	12 423	156 257
Potable water purchased from Kloof Water Works	446 226	307 103
Bospoort Purified Potable Water	13 898 975	14 509 360
	<u>43 454 001</u>	<u>41 729 318</u>

The RWST operate and maintain the Rustenburg, Bospoort and Boitekong water supply and purification scheme.

36.2 Interest charged to related party

Interest represent interest charged on a capitalized financial lease agreement

202 587	204 396
---------	---------

36.3 Loans granted to related party

4 015 946	4 062 482
-----------	-----------

The loan reflect the outstanding balance due by RWST on the finance lease agreement

36.4 Money due to related party

6 041 211	5 304 079
-----------	-----------

Represent outstanding amount due by the municipality for services rendered. The amount is payable 30 days after month end.

36.5 Other related parties

Councillors, the Municipal Manager and section 57 personnel reporting to the Municipal Manager are considered related parties in light of their control over the municipality as Councillors and their management position in terms of positions held in the municipality. No inter-party business transactions took place between the Rustenburg Local Municipality and these persons and their close family members for the year under review, except as disclosed below. Details relating to their remuneration are disclosed in notes 21 and 22 above. Normal consumer services rendered to the public have also been rendered to the mentioned parties at approved tariffs that were advertised to the public.

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
Transactions with key management personnel		
Mr. R Ramathlape is a section 57 personnel member reporting directly to the Municipal Manager and heads the Corporate Support Directorate. The following transactions have occurred between the municipality and Radio Mafisa, in which he has an interest:		
a. Services rendered by Radio Mafisa to the municipality	112 100	208 870

37 OPERATING LEASE ARRANGEMENTS

At the Statement of Financial Position date, the municipality had outstanding commitments under non-cancellable leases, which fall due as follows:

- Up to 1 year	2 307 381	955 151
- 1 to 3 years	3 466 298	417 773
- More than three years	1 476 244	122 292
	<u>7 249 923</u>	<u>1 495 216</u>

38 EVENTS AFTER THE REPORTING DATE

No event after the reporting date took place that could have a material impact on the financial position of the municipality on 30 June 2009 as disclosed in the Financial Statements.

39 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure E(1) and E(2).

RUSTENBURG LOCAL MUNICIPALITY  
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

APPENDIX A

EXTERNAL LOANS	Interest rate	Redeemable	Balance at 30 June 2008	Received during the period	Redeemed during the period	Balance at 30 June 2009	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
LONG-TERM LOANS								
- INCA nr. 1	16.50%	23 April 2009	50 000 000	-	(50 000 000)	-	R	R
- INCA nr. 2	13.82%	29 February 2024	-	50 000 000		50 000 000		
- ABSA - Drawdown 1	11.92%	31 May 2020	18 237 943	-	(748 788)	17 489 155		
- ABSA - Drawdown 2	12.02%	31 May 2021	18 910 316	-	(663 525)	18 246 791		
- ABSA - Drawdown 3	12.14%	31 May 2022	19 502 675	-	(586 121)	18 916 554		
Total long-term loans			106 650 934	50 000 000	(51 998 434)	104 652 500		
TOTAL EXTERNAL LOANS								
			106 650 934	50 000 000	(51 998 434)	104 652 500	120 497 429	

RUSTENBURG LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

APPENDIX B

	Cost/Revaluation				Accumulated Depreciation				Carrying Value
	Opening Balance R	Reclassification R	Additions R	Under Construction R	Disposals R	Closing Balance R	Opening Balance R	Reclassification R	
Land and Buildings									
Land	24 546 772	-	-	-	-	24 546 772	-	-	24 546 772
Buildings	115 673 102	-	-	-	-	115 673 102	31 684 768	-	33 978 334
Infrastructure	140 219 872	-	-	-	-	140 219 872	31 684 768	-	108 535 104
Drains	22 011 978	-	-	-	-	22 011 978	-	-	-
Roads	319 374 042	-	-	-	-	319 374 042	7 502 505	-	14 509 373
Sewerage Main & Purification plant	115 533 404	-	-	-	-	115 533 404	143 704 535	-	175 669 307
Electricity Mains	283 726 591	-	-	-	-	283 726 591	41 680 392	-	73 653 012
Electricity Peak Load Equip	6 120 815	-	-	-	-	6 120 815	103 569 263	-	180 137 328
Water Mains & Purification plant	213 019 378	-	-	-	-	213 019 378	360 032	-	5760 763
Reservoirs – Water	14 425 688	-	-	-	-	14 425 688	71 318 244	-	141 701 132
Water Meters	10 122 693	-	-	-	-	10 122 693	3 917 295	-	10 508 391
Water Main	13 952 444	-	-	-	-	13 952 444	1 880 568	-	8 242 115
Community Assets	988 286 919	-	-	-	-	988 286 919	4 771 441	-	9 191 003
Parks & Gardens	8 725 032	-	-	-	-	8 725 032	378 724 295	-	619 873 824
Libraries	3 733 238	-	-	-	-	3 733 238	-	-	-
Recreational Grounds	39 256 370	-	-	-	-	39 256 370	2 387 364	-	6 337 588
Club Buildings	48 483 864	-	-	-	-	48 483 864	2 103 468	-	1 625 759
Heritage Assets	100 248 504	-	-	-	-	100 248 504	25 783 612	-	13 512 758
Historical Buildings	429 115	-	-	-	-	429 115	17 920 202	-	30 573 692
	428 115	-	-	-	-	428 115	48 194 647	-	52 655 837
Total carried forward	1 239 194 412	-	-	-	-	1 239 194 412	458 613 710	-	428 115
									780 580 702

RUSTENBURG LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009 (Continue)

APPENDIX B

	Cost			Accumulated Depreciation			Carrying Value
	Opening Balance R	Reclassification R	Additions R	Disposals R	Closing Balance R	Disposals R	
Total brought forward	1 239 194 412	-	-	-	1 239 194 412	-	780 580 702
Housing Rental Stock							
Housing Rental	4 753 493	-	-	-	4 753 493	-	3 419 632
Leased Assets	4 753 493	-	-	-	4 753 493	-	3 419 632
Other Assets	-	-	-	-	-	-	-
Landfill sites	1 341 225	-	-	-	1 341 225	-	917 932
Office equipment	9 128 218	-	-	-	9 128 218	-	9 230 094
Furniture & fittings	99 688 096	-	-	-	99 688 096	-	35 355 059
Bins and Containers	1 547 220	-	-	-	1 547 220	-	979 255
Emergency Equipment	3 666 936	-	-	-	3 666 936	-	1 484 064
Motor vehicles	41 237 190	-	-	-	41 237 190	-	2 392 872
Fire engine	5 484 228	-	-	-	5 484 228	-	14 847 985
Refuse tankers	1 846 679	-	-	-	1 846 679	-	868 241
Computer equipment	12 385 366	-	-	-	12 385 366	-	850 635
Other assets	59 229 662	-	-	-	59 229 662	-	9 020 591
Conservancy tankers	-	-	-	-	-	-	34 208 166
Watercraft	-	-	-	-	-	-	-
Total	1 437 683 976	-	-	-	1 437 683 976	-	90 172 230
							874 472 536

RUSTENBURG LOCAL MUNICIPALITY

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

APPENDIX C

	Cost						Accumulated Depreciation				Carrying value R			
	Opening Balance R	Reclassification R	Additions		Under Construction		Disposals R	Closing Balance R	Opening Balance R	Reclassification R		Additions R	Disposals R	Closing Balance R
			R		R	R								
Executive & Council	8 039 159	-	9 038 886	-	-	-	17 078 045	2 485 619	-	-	-	-	2 485 619	14 592 426
Finance & Admin	51 405 624	-	996 675	-	-	-	52 402 299	27 302 499	-	-	-	-	27 302 499	25 099 800
Planning & Development	31 935 783	-	7 264 744	-	-	-	39 200 527	6 491 885	-	-	-	-	6 491 885	32 708 642
Health	9 255 385	-	577 760	-	-	-	9 833 145	4 867 410	-	-	-	-	4 867 410	4 865 735
Community & Social Services	88 645 895	-	10 359 237	-	-	-	99 005 132	34 251 840	-	-	-	-	34 251 840	64 753 292
Housing	3 183 541	-	-	-	-	-	3 183 541	2 150 427	-	-	-	-	2 150 427	1 033 114
Public Safety	39 205 778	-	1 422 713	-	-	-	40 628 491	16 498 062	-	-	-	-	16 498 062	24 130 429
Environmental Protection	7 245 934	-	20 293 871	-	-	-	27 539 605	1 731 254	-	-	-	-	1 731 254	25 808 351
Sport & Recreation	93 737 192	-	17 511 764	-	-	-	111 248 956	53 828 498	-	-	-	-	53 828 498	57 420 458
Waste Management	25 358 820	-	21 668 087	-	-	-	47 026 907	12 370 840	-	-	-	-	12 370 840	34 658 067
Waste Water Management	137 260 877	-	-	-	-	-	137 260 877	34 268 542	-	-	-	-	34 268 542	102 992 335
Road Transport	372 495 216	-	69 027 001	-	-	-	441 522 217	175 892 880	-	-	-	-	175 892 880	265 629 337
Water	224 137 462	-	15 490 424	-	-	-	239 627 886	68 828 118	-	-	-	-	68 828 118	170 799 768
Electricity	345 777 310	-	75 564 553	-	-	-	421 341 863	122 543 548	-	-	-	-	122 543 548	298 798 315
TOTAL	1 437 683 976	-	249 215 515	-	-	-	1 686 899 491	563 511 422	-	-	-	-	563 511 422	1 123 388 069

## APPENDIX D

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**RUSTENBURG LOCAL MUNICIPALITY**  
**ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009**

REVENUE	2009 Actual R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of Significant Variances greater than 10% versus Budget
Property rates (see note 17)	105 640 782	103 546 884	2 093 888	2.0%	
Service charges (see note 18)	769 148 678	894 423 271	(115 274 593)	-13.0%	Economic climate resulted in lower bulk purchases. Bulk sales dropped with R108 million
Rental of facilities and equipment	4 806 610	5 930 690	(1 124 080)	-19.0%	
Interest earned - external investments	71 883 969	42 163 560	29 720 409	70.5%	Higher interest rates and initial later spending of grants than anticipated when budgeting
Interest earned - outstanding debtors	64 806 974	68 170 240	(3 363 266)	-4.9%	
Fines	3 872 220	6 117 156	(2 244 936)	-36.7%	
Dividends	13 563	-	13 563	100.0%	
Royalties	17 988 380	20 471 581	(2 483 181)	-12.1%	VAT included in budget
Licenses and permits	5 884 381	6 784 490	(900 109)	-13.3%	
Income from agency services	9 822 332	7 239 300	2 583 032	31.5%	More provincial licenses sold than budgeted, resulting in municipal portion being more
Government grants and subsidies	587 853 750	433 419 359	154 434 391	35.6%	Conditional grants disclosed as income when spend, but not budgeted as such on operating account
Other income (see note 20)	23 012 285	30 400 346	(5 388 061)	-17.7%	Recoverable expenditure not yet allocated
Gains on disposal of property, plant and equipment	3 867 149	4 258 000	(390 851)	-9.2%	
Less: Income forgone	(1 113 066)	(6 719 900)	5 606 834	-83.4%	Indigents not utilizing benefits
<b>Total Revenue</b>	<b>1 659 188 207</b>	<b>1 606 204 967</b>	<b>62 983 240</b>	<b>3.9%</b>	
<b>EXPENDITURE</b>					
Executive & Council	278 612 328	244 201 801	(34 410 527)	-14.1%	Mogwase Stadium costs not budgeted and capitalized (not municipal area), provision for doubtful debts & 2010 expenditure
Finance & Admin	81 286 144	91 870 651	(10 584 507)	-11.5%	Positive due to depreciation charge smaller than budgeted as a result of reassessment of useful life of assets
Planning & Development	26 819 238	29 112 238	(2 293 000)	-7.9%	
Health	7 281 847	7 816 086	(534 239)	-6.7%	
Community & Social Services	23 183 543	24 180 925	(997 382)	-4.0%	
Housing	20 738 863	27 945 884	(7 206 031)	-25.8%	Only R15.7 million of R22 million budget on housing projects spend
Public Safety	58 211 517	52 070 446	(4 141 071)	-8.0%	
Sport & Recreation	30 037 988	34 551 129	(4 513 131)	-13.1%	Positive variances on leave costs, departmental charges, transport and depreciation
Environmental Protection	-	-	-	0.0%	
Waste Management	55 404 397	53 129 947	(2 274 450)	-4.3%	
Waste Water Management	56 041 409	53 718 718	(2 322 691)	-4.3%	
Road Transport	185 048 570	207 925 491	(22 876 921)	-11.0%	Positive variance as a result of depreciation re-assessment and 2010 road projects not fully spend
Water	216 209 616	214 333 717	(1 875 899)	-0.9%	
Electricity	448 331 338	565 096 043	(116 764 705)	-20.7%	Economic climate resulted in lower bulk purchases. Bulk sales dropped with R108 million
<b>Total Expenditure</b>	<b>1 485 187 608</b>	<b>1 605 933 066</b>	<b>120 745 458</b>	<b>7.5%</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>184 000 599</b>	<b>271 901</b>	<b>183 728 698</b>		



**RUSTENBURG LOCAL MUNICIPALITY  
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009**

APPENDIX E(2)

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance %	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council	9 038 886	-	9 038 886	10 417 130	1 378 244	13.2%	
Finance & Admin	996 674	-	996 674	1 101 144	104 470	9.5%	
Planning & Development	7 264 743	-	7 264 743	10 778 603	3 513 860	32.6%	
Health	577 760	-	577 760	593 172	15 412	-100.0%	
Community & Social Services	10 359 239	-	10 359 239	13 839 408	3 480 169	25.1%	
Housing	-	-	-	-	-	0.0%	
Public Safety	1 422 713	-	1 422 713	9 859 840	8 437 127	85.6%	
Sport & Recreation	17 511 764	-	17 511 764	21 783 966	4 272 202	19.6%	
Environmental Protection	20 293 671	-	20 293 671	27 614 343	7 320 672	26.5%	
Waste Management	21 668 087	-	21 668 087	32 934 580	11 266 493	34.2%	
Waste Water Management	-	-	-	-	-	0.0%	
Road Transport	69 027 001	-	69 027 001	95 053 117	26 026 116	27.4%	
Water	15 490 424	-	15 490 424	30 904 826	15 414 402	49.9%	
Electricity	75 564 553	-	75 564 553	121 710 910	46 146 357	37.9%	
Other	-	-	-	-	-	0.0%	
<b>TOTAL</b>	<b>249 215 515</b>	<b>-</b>	<b>249 215 515</b>	<b>376 591 039</b>	<b>127 375 524</b>	<b>33.8%</b>	

# APPENDIX F

## RUSTENBURG LOCAL MUNICIPALITY

### DISCLOSURES IN TERMS OF SECTION 123 OF THE MFMA: GRANTS AND SUBSIDIES RECEIVED FOR THE YEAR ENDED 30 JUNE 2009

Name of Grant and/or Transferring organ of state or municipal entity	Opening balance	Received	Utilized	Closing Balance	Delayed and / or withheld	Reason for delay/withholding of funds	Did the municipality comply with the grant conditions as set out in the latest Division of Revenue Act	Reason for non-compliance
EQUITABLE SHARE								
DLM		-131 308 098	131 308 098		No	Not applicable	Yes	N/a
DME	-3 751 950	-	3 351 950	-400 000	No	Not applicable	Yes	N/a
DSAC	-622 356	-24 000 000	17 753 729	-6 868 628	No	Not applicable	Yes	N/a
DWAF	-3 819 191	-8 600 427	11 130 282	-1 289 336	No	Not applicable	Yes	N/a
FIFA	-517 513		424 346	-93 168	No	Not applicable	Yes	N/a
FIRE	-48 362 926	-114 216 064	158 840 571	-3 738 419	No	Not applicable	Yes	N/a
FMG	-3 500 000	-4 500 000		-8 000 000	No	Not applicable	Yes	N/a
HOST FIFA	-3 462 676	-626 465	500 000	-3 589 141	No	Not applicable	Yes	N/a
IDP	-	-15 317 510	10 823 480	-4 494 029	No	Not applicable	Yes	N/a
IMMIS	-				No	Not applicable	Yes	N/a
MAGALIES	-				No	Not applicable	Yes	N/a
MIG	-1 986 498		1 986 498		No	Not applicable	Yes	N/a
MINES	-43 177 668	-98 018 000	117 127 242	-24 068 426	No	Not applicable	Yes	N/a
MSG	-194 992			-194 992	No	Not applicable	Yes	N/a
OTHER	-257 825	-540 000	519 498	-278 327	No	Not applicable	Yes	N/a
PTIS	-	-1 431 209		-1 431 209	No	Not applicable	Yes	N/a
PUBLIC	-31 292 787	-108 657 000	117 282 393	-22 667 394	No	Not applicable	Yes	N/a
SEED	-579 136		579 136		No	Not applicable	Yes	N/a
	-1 123 427			-1 123 427	No	Not applicable	Yes	N/a
	-142 648 944	-375 906 676	440 319 125	-78 236 496	No	Not applicable	Yes	N/a